UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

IN RE:	§	CASE NO. 10-54557-C
MEDALLION, LTD.,	§	
DEBTOR	§	CHAPTER 11

NO HEARING WILL BE CONDUCTED ON THIS MOTION UNLESS A WRITTEN RESPONSE IS FILED WITH THE CLERK OF THE UNITED STATES BANKRUPTCY COURT, P.O. BOX 1439, SAN ANTONIO, TX 78295-1439, AND SERVED UPON THE PARTY FILING THIS MOTION WITHIN TWENTY-ONE (21) DAYS FROM THE DATE OF SERVICE THEREOF, UNLESS THE COURT SHORTENS OR EXTENDS THE TIME FOR FILING SUCH REQUEST FOR HEARING. IF NO RESPONSE IS TIMELY SERVED AND FILED, THE MOTION SHALL BE DEEMED TO BE UNOPPOSED AND THE COURT MAY ENTER AN ORDER GRANTING THE RELIEF SOUGHT. IF A RESPONSE IS FILED AND SERVED IN A TIMELY MANNER, THE COURT WILL THEREAFTER SET A HEARING ON NOTICE.

MOTION FOR ENTRY OF ORDER AUTHORIZING MAINTENANCE OF CERTAIN ACCOUNT WITH INTERNATIONAL BANK OF COMMERCE

TO THE HONORABLE LEIF M. CLARK, UNITED STATES BANKRUPTCY JUDGE:

MEDALLION, LTD., the Debtor in the above captioned case, hereby files this Motion for Entry of an Order Authorizing it to Maintenance a Certain Depositor’s Agreement with INTERNATIONAL BANK OF COMMERCE. In support of the Motion, the Debtor respectfully represents as follows:

I. JURISDICTION, VENUE AND BACKGROUND

1. This Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§157 and 1334. This is a core proceeding pursuant to 28 U.S.C. §157(b)(2)(A). Venue is proper before this Court pursuant to 28 U.S.C. §§1408 and 1409(a).

II. BACKGROUND

2. On November 30, 2010, the Debtor filed a voluntary petition for relief under Chapter 11 of the Title 11 of the United States Code, 11 U.S.C. §§101-1532 in the Western District of Texas, San Antonio Division.

3. The Debtor continues to manage and operate its business as Debtor-in-Possession pursuant to §§1107 and 1108 of the Bankruptcy Code. No Creditors' committee has been appointed in this case by the United States Trustee. Further, no Trustee or Examiner has been requested or appointed.

4. The statutory predicates for the relief requested herein are §§105(a) and 363 of the Bankruptcy Code.

III. RELIEF REQUESTED

5. As described herein, the Debtor seeks an Order allowing it to maintain Depositor's Agreement with INTERNATIONAL BANK OF COMMERCE. Prior to the filing of the bankruptcy petition, the account was established to deposit portions of sale proceeds derived from sales of lots upon which IBC maintains a first lien and that the percentage of proceeds from each sale deposited within the account was 10%. This account is being used to insure that the interests carry on the outstanding loans owed by MEDALLION, LTD. to IBC is paid in a current basis.

6. The Debtor and IBC would like to retain this relationship post-petition so that 90% of lot sales proceeds are applied against

outstanding loans with 10% held in the escrow account to insure post-petition interest carry. This process benefits the Debtor by keeping the loan on a current status thereby eliminating default interest charges.

WHEREFORE, PREMISES CONSIDERED, the Debtor-in-Possession prays for relief consistent with that requested above and that it be granted such other and further relief to which it may show itself justly entitled.

Respectfully submitted,

WILLIS & WILKINS, L.L.P.

BY: /s/James S. Wilkins

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Certificate of Service

I hereby certify that a true and correct copy of the foregoing Motion has been mailed, by United States mail, postage prepaid, to the persons and entities below and on the attached service list on this 3rd day of January, 2011.

Medallion Homes
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San Antonio, Texas 78249

U.S. Trustee
P.O. Box 1539
San Antonio, TX 78295-1539

WILLIS & WILKINS, L.L.P.

BY: /s/James S. Wilkins
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20 LARGEST UNSECURED CREDITORS

Adams & Polunsky
8000 IH-10 W., Suite 114
San Antonio, TX 78230-3892

Alamo Ranch
c/o Procomm, Inc.
300 E. Sonterra Blvd., Suite 350
San Antonio, TX 78258

Arias Home Repair
c/o David Arias
9638 Campton Farms
San Antonio, TX 78250

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Cibolo, TX 78108

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Tonya R.
112 Sleepy Trail
Cibolo, TX 78108

Cole, Alicia M.
112 Rustic Trl
Cibolo, TX 78108

Dowda, Michael K. and
Rebecca A.
109 Happy Trl
Cibolo, TX 78108

Frentzen, Jonathan P. and
Stacy L.
129 Happy Trl
Cibolo, TX 78108

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